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C O N F I D E N T I A L SECTION 01 OF 02 HONG KONG 002210

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DEPARTMENT FOR EAP AND EAP/CM NSC FOR DENNIS WILDER

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TAGS: PGOV PREL PINR CH HK

SUBJECT: WATCH THIS SPACE: ANSON CHAN AND THE ELECTION OF

THE CHIEF EXECUTIVE

Classified By: E/P Section Chief Simon Schuchat; reasons 1.4 (b, d)

11. (C) Summary: On May 25, in her first public speech in more than three months, former Chief Secretary Anson Chan told a media awards dinner that at this time she was "not willing to disclose" her future plans regarding the 2007 Chief Executive election; instead, she instructed the press to "just watch this space." At the same event, Chan also said her desired headline for July 1, 2007, which will be the tenth anniversary of Hong Kong's reversion to the PRC, would be "that there will be a timetable for democratic reform." These comments have done nothing to ease speculation in Hong Kong political circles about Chan's possible plans. On May 26, two knowledgeable contacts provided different analyses of Chan's recent actions. First, independent Legco member Albert Chan told poloff that he was certain Anson Chan would not contest the 2007 election and was just using public interest in that possibility to express her "anger and frustration" about the administration of current Chief Executive Donald Tsang. According to Hong Kong Baptist University professor Michael DeGolyer, however, Chan might be awaiting a "draft" by the pan-democrats, once they can confirm that they will gain at least one hundred nominations in the Election Committee. On May 16, Anson Chan had told the Consul General that, while she had said publicly that she did not intend to run for Chief Executive, she nevertheless believed that a challenger could "defeat" Tsang in the public opinion polls, despite losing in the Election Committee, which would return Tsang to office but publicly embarrass both him and Beijing. End Summary.

 $\P 2.$ (SBU) On Thursday, May 25, former Hong Kong Chief Secretary Anson Chan addressed the "Society of Publishers in

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Asia" awards dinner, her first public address since the death of her mother on February 20. Since then, other than a May 4 exclusive interview in "Next Magazine," during which she stressed that she had no intention of contesting the 2007 Chief Executive race, Chan generally has eschewed public comment on political issues. Her silence, however, has not prevented the Hong Kong public and press from speculating about whether she might contest the election, and if so what effect her candidacy would have on the contest.

"Just Watch This Space"

13. (SBU) Following her keynote speech to the publishers about the importance of freedom of information, Chan was asked what headline she would want to see on July 1, 2007, which will be the tenth anniversary of Hong Kong's reversion to the PRC. In response, she said it should be "that there will be a

timetable for democratic reform." On the issue of Article 23 of the Basic Law, which requires Hong Kong to enact national security legislation, Chan said the HKSAR had a constitutional obligation to do so and hoped that the government's next attempt would be more sensitive to the views of the community. Otherwise, however, she refused to provide any glint of information on her political future. Chan said she had been retired for five years, was now a "private citizen," and as such was "not willing to disclose at this stage" her future plans. Instead, she advised the press to "just watch this space."

Keep Them Guessing

14. (C) During a May 16 private meeting, Anson Chan told the Consul General that she generally had been refusing to speak to the press about politics and her political future, and had said publicly that she did not intend to run for Chief Executive. She said officials in Beijing sometimes contacted her to ask her intentions, but she preferred to "keep them guessing." That said, however, Chan believed a challenger could run against and possibly defeat Donald Tsang in the public opinion polls, rather than the Election Committee. Such a development would be "very embarrassing" to both Tsang and Beijing. Chan also believed that Beijing feared the Election Committee vote because, unlike the nomination process, it is by sec-ret ballot.

Anger and Frustration

15. (C) Reflecting the public's current uncertainty regarding Chan's intentions, on May 26 two highly knowledgeable observers of Hong Kong politics gave poloff contrasting analyses of Chan's remarks. First, independent democratic

HONG KONG 00002210 002 OF 002

member of the Legislative Council Albert Chan, a founder of Hong Kong's Democratic Party who has known Anson Chan for decades, said he was "certain" that she would not run for Chief Executive. He described her as a "very calculating" person who was not interested in becoming a "martyr" and was simply using attention on her possible candidacy to express "anger and frustration" about Donald Tsang. More generally, Albert Chan opined that any pan-democratic candidate would be unable to win the one hundred Election Committee votes required for nomination, because the people of Hong Kong were pragmatic and realized that the Chief Executive could not run Hong Kong without support from Beijing, which only Donald would enjoy. This, he said, was a "reality we have to face."

Awaiting a Draft

16. (C) On the same day, however, Hong Kong Baptist University Professor and "Hong Kong Transition Project" Director Michael DeGolyer observed to poloff that Chan keeps denying, "more and more coyly," that she would contest the election. He believed, however, that she might be awaiting a "draft," which he felt she probably would get, once the Democratic Party and the Civic Party were able to assure her that she would receive the one hundred Election Committee nominations necessary for a candidacy. In the meantime, DeGolyer suggested that any missteps by Tsang and/or negative economic news would benefit a potential challenger, such as Chan. DeGolyer also described Chan as an "extremely politically astute" person whose grasp of Hong Kong public opinion was unsurpassed. Cunningham